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**From:**

**Sent:** Fri 8/22/2008 8:41 AM

**To:**

**Cc:**

**Subject:** RE: TEFRA

I am also out until Sept. 3 after today. But this should answer all your questions. My direct line is

You need the Forms 872-i from the ultimate taxpaying entities: the trust and C corporations (including any C corporation owners of any S corporation partner). For the C corporations that file a consolidated corporate 1120, you need both the parent and the sub to sign, under the name "parent and subsidiaries" by the appropriate officers. You can direct any further questions on the rules for consolidated returns to in Corp.

The 872-P's are signed by the TMP's. If the TMP is a sub in a consolidated group, only the sub needs to sign as TMP for years beginning after June 28, 2002. See Treas. Reg. 1.1502-77(a)(6)(iii). For taxable years before that effective date, both the sub and parent need to sign the 872-P with the parent signing "on behalf of" the sub TMP.

The S corporations do not sign anything. They are not taxpayers and cannot bind any of the ultimate taxpayers. Bufferd v. Commissioner, -- U.S. -- (Supreme Court case).

The trustee of the trust signs for the trust - unless the trust is a grantor trust. In that case the beneficiaries to whom the adjustments ultimately flow must sign on their own behalf. Even if the trust is not a grantor trust, the beneficiaries must also sign for themselves to the extent any distributable net income ("DNI") will result from the partnership item adjustments.